



February 22, 2002

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## ENGROSSED SENATE BILL No. 501

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DIGEST OF SB 501 (Updated February 20, 2002 3:44 PM - DI 84)

**Citations Affected:** IC 20-12; noncode.

**Synopsis:** Educational facilities and funding. Prohibits Vincennes University and Ivy Tech State College from taking any action that frustrates the goals of the community college system. Provides authorization for the budget agency to enter into a lease (after meeting certain conditions) with the Columbus Learning Center Management Corporation. Gives the trustees of Vincennes University bonding authority for a Technology Building, a Performing Arts Center, and a Recreation Building. Removes the freeze on student tuition and academic facilities fees at Vincennes University and Ivy Tech State College. Gives the trustees of Indiana University bonding authority for acquiring and renovating the University Place Hotel on the Indianapolis Campus. Allows bonding for medical research facilities associated with a school of medicine.

**Effective:** Upon passage; July 1, 2002.

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**Simpson, Meeks R**  
(HOUSE SPONSORS — BAUER, ESPICH)

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January 14, 2002, read first time and referred to Committee on Finance.  
January 31, 2002, amended, reported favorably — Do Pass.  
February 4, 2002, read second time, ordered engrossed. Engrossed.  
February 5, 2002, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 11, 2002, read first time and referred to Committee on Rules and Legislative Procedures.  
February 21, 2002, amended, reported — Do Pass.

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February 22, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## ENGROSSED SENATE BILL No. 501

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A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 20-12-8-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) The trustees of  
3 Indiana University, the trustees of Purdue University, Indiana State  
4 University board of trustees, the University of Southern Indiana board  
5 of trustees, and the Ball State University board of trustees are  
6 authorized and empowered, from time to time, if the governing boards  
7 of these corporations find that a necessity exists, to erect, construct,  
8 reconstruct, extend, remodel, improve, complete, equip, furnish,  
9 operate, control and manage:  
10 (1) dormitories and other housing facilities for single and married  
11 students and school personnel;  
12 (2) food service facilities;  
13 (3) student infirmaries and other health service facilities including  
14 revenue-producing hospital facilities serving the general public,  
15 together with parking facilities and other appurtenances in  
16 connection with any of the foregoing; ~~or~~  
17 (4) parking facilities in connection with academic facilities; **or**

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**(5) medical research facilities associated with a school of medicine, if the facilities will generate revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements in an amount that is reasonably expected to at least equal the annual debt service requirements of the bonds for the facility for each fiscal year that the bonds are outstanding;**

at or in connection with Indiana University, Purdue University, Indiana State University, the University of Southern Indiana, and Ball State University, for the purposes of the respective institutions. These corporations are also authorized and empowered to acquire, by purchase, lease, condemnation, gift or otherwise, any property, real or personal, that in the judgment of these corporations is necessary for the purposes set forth in this section. The corporations may improve and use any property acquired for the purposes set forth in this section.

(b) Title to all property so acquired, including the improvements located on the property, shall be taken and held by and in the name of the corporations. If the governing board of any of these corporations determines that real estate, the title to which is in the name of the state, for the use and benefit of the corporation or institution under its control, is reasonably required for any of the purposes set forth in this section, the real estate may, upon request in writing of the governing board of the corporation to the governor of the state and upon the approval of the governor, be conveyed by deed from the state to the corporation. The governor shall be authorized to execute and deliver the deed in the name of the state, signed on behalf of the state by the governor, attested by the auditor of state and with the seal of the state affixed to the deed.

SECTION 2. IC 20-12-75-12, AS ADDED BY P.L.273-1999, SECTION 203, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) A community college policy committee shall be created to:

- (1) oversee the implementation of the community college system, including the selection of the sites at which the community college system will be offered and the timetable for implementing these sites;
- (2) review the broad policies and principles to be used to carry out and guide the implementation; and
- (3) serve as a communication link among the two (2) boards of trustees and the commission for higher education with regard to implementing the community college system.

(b) The community college policy committee shall not exercise any

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1 powers that have been assigned to the Vincennes University board of  
 2 trustees, the Ivy Tech State College state board of trustees, or the  
 3 commission for higher education.

4 (c) The community college policy committee consists of three (3)  
 5 members of the Vincennes University board of trustees, three (3)  
 6 members of the Ivy Tech State College state board of trustees, and five  
 7 (5) members appointed by the governor. The president of Vincennes  
 8 University, the president of Ivy Tech State College, and the  
 9 commissioner for higher education shall serve as ex officio members  
 10 of the community college policy committee.

11 (d) **Notwithstanding any law, Vincennes University and Ivy**  
 12 **Tech State College may not take any action, including the spending**  
 13 **of any funds, that frustrates the goals of the community college**  
 14 **system.**

15 SECTION 3. [EFFECTIVE JULY 1, 2002] **The trustees of Indiana**  
 16 **University are authorized to issue bonds under IC 20-12-8, subject**  
 17 **to approvals required in IC 20-12-6 and IC 20-12-5.5, for the**  
 18 **purpose of funding the costs of acquisition and renovation of the**  
 19 **University Place Hotel on the Indianapolis Campus, and to acquire**  
 20 **and renovate the hotel facility, so long as the principal costs of any**  
 21 **bonds issued do not exceed thirty million dollars (\$30,000,000). For**  
 22 **purposes of this SECTION, "principal costs" of the bonds include**  
 23 **all acquisition, renovation, installation, planning, and other related**  
 24 **costs, but do not include additional costs incidental to the financing**  
 25 **that may also be financed in addition thereto. Bonds issued under**  
 26 **the authority of this SECTION are not entitled to fee replacement**  
 27 **appropriations.**

28 SECTION 4. [EFFECTIVE UPON PASSAGE] (a) **As used in this**  
 29 **SECTION, "Columbus Learning Center" refers to a multipurpose**  
 30 **educational facility to be located in Columbus, Indiana, and leased**  
 31 **by the board of aviation commissioners of the city of Columbus,**  
 32 **Indiana, to Columbus Learning Center Management Corporation.**

33 (b) **As used in this SECTION, "sublease" refers to an agreement**  
 34 **between the budget agency and Columbus Learning Center**  
 35 **Management Corporation to lease space in the Columbus Learning**  
 36 **Center for use by the participating entities.**

37 (c) **As used in this SECTION, "lease rental revenue bonds"**  
 38 **refers to any lease rental revenue bonds issued by the city of**  
 39 **Columbus, Indiana, under IC 8-22-2 or another law for acquisition,**  
 40 **construction, initial installation, and initial equipping of the**  
 41 **Columbus Learning Center.**

42 (d) **As used in this SECTION, "participating entities" means the**

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following:

- (1) Indiana University.
- (2) Purdue University.
- (3) Ivy Tech State College.
- (4) Vincennes University.

The term does not include a school corporation.

(e) Subject to subsection (f), the budget agency may enter into a sublease with the Columbus Learning Center Management Corporation, its authorized successor, or its authorized assigns for the use and occupancy of part or all of the Columbus Learning Center. The budget agency may enter into the sublease after review by the budget committee and approval by the commissioner of the Indiana department of administration.

(f) The budget agency may not enter into a sublease under subsection (e) unless the following conditions are met:

- (1) The total:
  - (A) acquisition;
  - (B) construction;
  - (C) initial installation; and
  - (D) initial equipping;

costs for the Columbus Learning Center that are to be financed through lease rental revenue bonds is twenty-five million dollars (\$25,000,000) or less, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of bonds.

(2) The director of the budget agency has certified in writing to the legislative council that there is an unmet higher education need that the Columbus Learning Center will correct.

(g) The general assembly determines that a long term sublease is in the best interests of the state. Subject to subsection (f), the budget agency may enter into a sublease for one (1) or more terms that, in the aggregate, do not exceed the initial term provided for the repayment of the lease rental revenue bonds.

(h) The sublease rental payments under the sublease may include amounts payable for:

- (1) the operation and management of the Columbus Learning Center;
- (2) maintenance, repair, or replacement reserves necessary or appropriate to keep the Columbus Learning Center in good operating order; and



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1           (3) repayment of the principal of and interest on the lease  
2           rental revenue bonds, subject to the limitations set forth in  
3           subsection (f).

4           SECTION 5. [EFFECTIVE UPON PASSAGE] The board of  
5           trustees of Vincennes University may issue and sell bonds under  
6           IC 20-12-6, subject to the approvals required by IC 20-12-5.5 and  
7           IC 23-13-18, for a Technology Building, a Performing Arts Center,  
8           and a Recreation Building, so long as the sum of principal costs of  
9           any bonds authorized by this act for those projects, excluding  
10          amounts necessary to provide money for debt service reserves,  
11          credit enhancement, or other costs incidental to the issuance of the  
12          bonds, does not exceed twenty-five million dollars (\$25,000,000).  
13          The projects are eligible for fee replacement.

14          SECTION 6. [EFFECTIVE JULY 1, 2002] (a) The provisions of  
15          this SECTION apply notwithstanding P.L. 291-2001.

16          (b) The trustees of Vincennes University and Ivy Tech State  
17          College, and their respective institutions, are no longer subject to  
18          the requirement that they not increase the total Indiana resident  
19          student tuition fees and academic facilities fees in exchange for  
20          certain appropriations under P.L. 291-2001, SECTION 5. The  
21          requirement to freeze tuition and fees as a condition of receiving  
22          their respective total operating expense appropriation for the state  
23          fiscal year beginning July 1, 2002, is void.

24          (c) This SECTION expires July 1, 2003.

25          SECTION 7. An emergency is declared for this act.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 501, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 4, delete "the governing body of".

Page 1, line 4, after "aviation" insert "**commissioners**".

Page 1, delete line 18.

Page 2, line 1, delete "(2)" and insert "**(1)**".

Page 2, line 2, delete "(3)" and insert "**(2)**".

Page 2, line 3, delete "(4)" and insert "**(3)**".

Page 2, between lines 3 and 4, begin a new line blocked left and insert:

**"The term does not include a school corporation."**

Page 2, line 19, after "\$25,000,000" insert ", **excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of bonds**".

Page 2, line 23, after "provided" delete "in the".

Page 2, line 24, delete "lease rental revenue bonds".

Page 2, line 26, delete ", excluding" and insert "**may include**".

Page 2, line 28, after "operation" insert "**and management**".

Page 2, line 28, delete "or".

Page 2, line 29, delete "replacements" and insert "**replacement reserves**".

Page 2, line 31, after "order;" insert "**and**".

Page 2, delete lines 32 through 42, begin a new line block indented and insert:

**"(3) repayment of the principal of and interest on the lease rental revenue bonds, subject to the limitations set forth in subsection (f)."**

Page 3, delete lines 1 through 7.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 501 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred Senate Bill 501, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-12-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) The trustees of Indiana University, the trustees of Purdue University, Indiana State University board of trustees, the University of Southern Indiana board of trustees, and the Ball State University board of trustees are authorized and empowered, from time to time, if the governing boards of these corporations find that a necessity exists, to erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control and manage:

(1) dormitories and other housing facilities for single and married students and school personnel;

(2) food service facilities;

(3) student infirmaries and other health service facilities including revenue-producing hospital facilities serving the general public, together with parking facilities and other appurtenances in connection with any of the foregoing; ~~or~~

(4) parking facilities in connection with academic facilities; ~~or~~

**(5) medical research facilities associated with a school of medicine, if the facilities will generate revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements in an amount that is reasonably expected to at least equal the annual debt service requirements of the bonds for the facility for each fiscal year that the bonds are outstanding;**

at or in connection with Indiana University, Purdue University, Indiana State University, the University of Southern Indiana, and Ball State University, for the purposes of the respective institutions. These corporations are also authorized and empowered to acquire, by purchase, lease, condemnation, gift or otherwise, any property, real or personal, that in the judgment of these corporations is necessary for the purposes set forth in this section. The corporations may improve and use any property acquired for the purposes set forth in this section.

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(b) Title to all property so acquired, including the improvements located on the property, shall be taken and held by and in the name of the corporations. If the governing board of any of these corporations determines that real estate, the title to which is in the name of the state, for the use and benefit of the corporation or institution under its control, is reasonably required for any of the purposes set forth in this section, the real estate may, upon request in writing of the governing board of the corporation to the governor of the state and upon the approval of the governor, be conveyed by deed from the state to the corporation. The governor shall be authorized to execute and deliver the deed in the name of the state, signed on behalf of the state by the governor, attested by the auditor of state and with the seal of the state affixed to the deed.

SECTION 2. IC 20-12-75-12, AS ADDED BY P.L.273-1999, SECTION 203, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) A community college policy committee shall be created to:

- (1) oversee the implementation of the community college system, including the selection of the sites at which the community college system will be offered and the timetable for implementing these sites;
- (2) review the broad policies and principles to be used to carry out and guide the implementation; and
- (3) serve as a communication link among the two (2) boards of trustees and the commission for higher education with regard to implementing the community college system.

(b) The community college policy committee shall not exercise any powers that have been assigned to the Vincennes University board of trustees, the Ivy Tech State College state board of trustees, or the commission for higher education.

(c) The community college policy committee consists of three (3) members of the Vincennes University board of trustees, three (3) members of the Ivy Tech State College state board of trustees, and five (5) members appointed by the governor. The president of Vincennes University, the president of Ivy Tech State College, and the commissioner for higher education shall serve as ex officio members of the community college policy committee.

**(d) Notwithstanding any law, Vincennes University and Ivy Tech State College may not take any action, including the spending of any funds, that frustrates the goals of the community college system.**

SECTION 3. [EFFECTIVE JULY 1, 2002] **The trustees of Indiana**



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University are authorized to issue bonds under IC 20-12-8, subject to approvals required in IC 20-12-6 and IC 20-12-5.5, for the purpose of funding the costs of acquisition and renovation of the University Place Hotel on the Indianapolis Campus, and to acquire and renovate the hotel facility, so long as the principal costs of any bonds issued do not exceed thirty million dollars (\$30,000,000). For purposes of this SECTION, "principal costs" of the bonds include all acquisition, renovation, installation, planning, and other related costs, but do not include additional costs incidental to the financing that may also be financed in addition thereto. Bonds issued under the authority of this SECTION are not entitled to fee replacement appropriations. "

Page 2, between lines 1 and 2, begin a new line block indented and insert:

**"(4) Vincennes University."**

Page 2, delete lines 10 through 20, begin a new paragraph and insert:

**"(f) The budget agency may not enter into a sublease under subsection (e) unless the following conditions are met:**

**(1) The total:**

- (A) acquisition;**
- (B) construction;**
- (C) initial installation; and**
- (D) initial equipping;**

**costs for the Columbus Learning Center that are to be financed through lease rental revenue bonds is twenty-five million dollars (\$25,000,000) or less, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of bonds.**

**(2) The director of the budget agency has certified in writing to the legislative council that there is an unmet higher education need that the Columbus Learning Center will correct."**

Page 2, between lines 35 and 36, begin a new paragraph and insert:

**"SECTION 5. [EFFECTIVE UPON PASSAGE] The board of trustees of Vincennes University may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5 and IC 23-13-18, for a Technology Building, a Performing Arts Center, and a Recreation Building, so long as the sum of principal costs of any bonds authorized by this act for those projects, excluding amounts necessary to provide money for debt service reserves,**

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credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed twenty-five million dollars (\$25,000,000). The projects are eligible for fee replacement.

SECTION 6. [EFFECTIVE JULY 1, 2002] (a) The provisions of this SECTION apply notwithstanding P.L. 291-2001.

(b) The trustees of Vincennes University and Ivy Tech State College, and their respective institutions, are no longer subject to the requirement that they not increase the total Indiana resident student tuition fees and academic facilities fees in exchange for certain appropriations under P.L. 291-2001, SECTION 5. The requirement to freeze tuition and fees as a condition of receiving their respective total operating expense appropriation for the state fiscal year beginning July 1, 2002, is void.

(c) This SECTION expires July 1, 2003."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 501 as printed February 1, 2002.)

MOSES, Chair

Committee Vote: yeas 8, nays 0.

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